

## POLITICAL ECONOMY IN ITS RELATION TO ETHICS.

[A Lecture delivered before the American Institute of Christian  
Philosophy, Asbury Park, N. J., July 25th, 1885.]

BY GEORGE B. NEWCOMB, PH.D.,

Professor in City College of New York.

IT is proposed in this paper to discuss the inter-relations and interactions of economical and ethical facts and ideas with reference, first and practically, to the principles and methods on which certain problems of the economic social order are to be dealt with; second, with reference to questions of scope and method in Political Economy and the relations of economic to ethical theory.

In the department of practice there is frequent conflict, or appearance of conflict, between economic and moral impulses and maxims. In the department of theory the philosophy on the one hand of material comfort and value, on the other of moral perfection and worth, evince, each in turn, a tendency to invasion or absorption of the other's sphere. This "conflict" is, in part, the outcome of fundamental differences of bias or belief; differences in the conception of life, whether held from practical or from speculative points of view. But, aside from this, there is abundant occasion for collision between economics and ethics in the fact, that while their spheres are distinct they have much in common and deeply inter-penetrate each other. They are distinct; for the economic and the moral ends are wide apart in their nature, and the measures of value and means of production which apply in the one sphere have no direct significance in the other. Yet because the moral and the economic life of man have their distinct aims and methods, it is too easily inferred that they may be separated in practice; a conclusion expressed in the commercial maxim that "Business is business," when interpreted by an underlying idea that "there is a special department of

life for pursuing one's own interests and again another for the practice of virtue."

On the other hand, economics and ethics do coincide as to ends and co-operate by their respective methods, in a great measure. The economic end supports the moral in so far as society needs capital for its moral as well as for its material progress. The strife of economic competition fosters the prudential virtues. Again, moral development carries with it economic advance. The pursuit of the good, in the long run at least, favors the production of the useful. Order, efficiency and credit have their roots in moral faith and feeling. Virtue goes out of man into matter to make a more habitable world.

This constant and necessary interplay of the two spheres explains in part the tendency to encroachment in theory and practice of the one upon the other. Thus on the one hand, the moralist is much inclined to regulate business affairs by purely ethical methods, while on the other extreme the thorough-going representatives of the "let alone" theory in politico-moral speculation would leave little, if any, distinct occupation to the moralist. Proceeding to consider for purposes both practical and speculative some aspects of the "conflict" pending along the lines above indicated, we wish first to discuss that invasion of ethics by the ideas and methods of economics which is involved in the claims of the extreme advocates of the *laissez faire* principle.

The development of this doctrine has gone along with the development of the modern industrial system; the triumphs of which in the increase of wealth and diffusion of comfort appear to have been largely due to the acceptance of the *laissez faire* principle by governments, and this has encouraged efforts toward a wide and unqualified application of the principle in social affairs.

It will be useful for the purposes of our discussion to recall here some facts in the history of economic progress, showing how essentially and necessarily modern is the conception that economic matters "regulate themselves," and by what steps of thought a social philosophy of *laissez faire* has naturally grown out of this. Mr. W. Bagehot, in his "Economic Studies," has well elucidated the inapplicability to primitive or barbarous

society of the fundamental postulates of English economic science. It has been said, indeed, that Adam Smith thought there was "a Scotchman inside of every man." But of the Zulu as the missionary first knew him and of the primitive man generally, it is fallacious to assert the existence in his nature of an unlimited desire of gain, which will lead him, under favoring circumstances, to work and save. The master passion of the Zulu was rather one which Dr. Martineau in his scale of motives places three steps lower than Love of Gain, viz.: Love of Ease and Sensual Pleasure. Neither could the desire for wealth, when it appeared, become an important social force until a society had passed through the strife which attends the era of "nation making" and which is requisite to secure the political and legal conditions of a social organism. Social coherence and some degree of institutional order must precede the organization of any industrial co-operation. The "natural liberty" and the "arrangements of nature" of which Adam Smith speaks, presume for their beneficent operation an artificial and complex civilization in which wealth has come to be sought as an end and the pursuit of it made practicable by an elaborate system which determines and protects the rights of person and property, including contract. Ancient Greece and Rome exhibit a partial economic development, yet their civilization is not guided principally by the commercial spirit, and the main postulate of English political economy does not hold of the course of their economic affairs. A state which in its ideal was "opposed to every form of individual independence and to all minor social combinations," a society for which slavery was the great productive source of wealth and in which militancy was the predominant type of social activity, offered little room for the reality and even less hospitality for the conception of a self-regulating industrialism, in which the "mechanics of interest" should work out the highest material welfare of all. By their most cherished habits of thought as well as by social circumstances, the ancients, as Cossa expresses it, were "prevented from attaining the idea of the existence of natural laws governing the phenomena of social wealth."

The impersonal economic forces of the modern time, the

powers of automatic and instinctive operation in the industrial system, are not clearly recognized till the era of scientific political economy, because they do not much before that distinctly and vigorously manifest their existence. Christianity sowed a seed of individualism in its doctrine of the priceless worth of man as man, and it favored the eventual development of an industrial civilization in so far as it discouraged militancy and inculcated the sentiment of human brotherhood. Even feudalism, while obstructing industry by the political and civil anarchy it caused, gave a better standing and prospect to labor by substituting for slavery the permanent attachment of the tiller to the soil. The instincts of the new time, however prepared, slumbered until set in motion by the new knowledge of the luxuries and arts of life diffused over Europe in the wake of the Crusades. This impulse did not cease in the main to gather force from one and another quarter until the millions of Europe were moving on a new career which, if less blest with dull content than that which Church and State had marked out for them and strove to hold them to, was at least their own. The upward movement of Europe from this time, in the line of a higher ideal of social well-being, involves increasing transition from the *regime* of status to that of contract and, as fundamental to this, the continuous elaboration in law of the rights of person and property. The love of a larger and more varied human life, one less poor in the elements of dignity and enjoyment, fastens on wealth as a means to this, open to the people at large, and this stimulates enterprise and saving, industry and commerce, both in extension and intension, as no state-policy could begin to do. Indeed, the political economy of European statesmen in the period preceding the development of economic science, had in view not so much the enrichment of general society as the provision of revenue for the state and the overseeing the trades in the interest of good workmanship and reasonable prices. Neither State nor Church encouraged the growth of luxury nor the development of that new ambition which was to prove destructive to distinctions of birth. The force of the new tendencies was not recognized before the aristocracy found a plutocracy treading on their heels. How the sudden growth of commercial wealth

affected the ruling class is strikingly illustrated by the incident recorded of a queen of France who, invited to a public banquet at commercial Bruges, is said to have wept on finding herself surrounded by six hundred merchants' wives more richly attired than herself.

The growth of industrial and commercial wealth as it goes on apace, makes more and more unmistakable demonstrations that this movement is governed by laws of its own which must eventually render futile attempts at systematic guidance or restraint of it from without ; though trade suffers from multifarious restrictions—from the guilds on the one side, from the governments on the other. Thus Venice sought to keep the secret of her wealth-producing arts by decreeing death to any Venetian workman or artist who should transport his art to a foreign country. Of so wise and so late a statesman as Sully a historian writes that "All consumption of foreign products seemed to him a larceny committed against France and an attack aimed at her morals ; every exportation of money a calamity which it was necessary to prevent by energetic measures." But though growth may be distorted and hindered it cannot be prevented by chains. And not only does the growing industrialism vanquish restrictions, it grows more averse to all interference, even such as aims to assist its development. Experience teaches it such faith in the hidden wisdom of the natural currents of trade, as the woodsman has in the capacity of the mountain-brook to find the shortest way down hill. It answers the statesman's offers of assistance by indicating the maintenance of order as his proper line of duty. It was the great Colbert's friendly inquiry of a group of French merchants summoned to advise him what the government could do for the advantage of trade, which elicited from them what was later adopted as the universal maxim of practical economics: "*Laissez faire;*" "*laissez passer.*" "Let us alone and keep the ways open." The French merchants had but bluntly expressed the instinctive feeling or the judgment of experience of their class: the French Economists and Adam Smith, but the latter especially, gave to their conviction the force of a reasoned conclusion. The prevalence of individualism in the philosophic thought of

the eighteenth century, the universal practice of deducing the good of the whole from the co-operation of all egoistic efforts, favored but does not largely account for the instant and wide welcome given to the "Wealth of Nations." In such theses of this book as "that private interest naturally points to that employment most advantageous to the society, but without intending it or knowing it," Adam Smith seemed to be simply reporting that which was transpiring in the new order of things and making the spirit of the age clearly conscious of and rationally complacent with itself. It seems the spirit of the industrial era which finds a voice in his pages, proclaiming the enfranchisement of the desires and ambitions which ancient philosophy and middle-age piety alike had condemned, showing the reality and rightwiseness of the laws of trade and declaring the new order of things to be that which nature has pointed out and which it was "the statesman's duty simply to maintain, by allowing every man, so long as he observes the rules of justice, to pursue his own interest in his own way and to bring forth his industry and capital into the freest competition with those of his fellow-citizens."

The unprecedented development of industrialism and of material prosperity in England during the quarter of a century following the publication of the "Wealth of Nations" seemed to illustrate and more than confirm the doctrines of a book which, appearing in the year of our American Independence, Prof. Perry has well characterized as "itself a sort of declaration of independence of the false principles and foolish policy of the mercantile system." Mr. Green in his "Short History of the English People," recounts with enthusiasm the wonderful progress of the nation during this period. "The loss of America only increased the commerce with that country. Industry began that great career which was to make England the workshop of the world;" and "Pitt had hardly become Minister before he took the principles of the 'Wealth of Nations' as the groundwork of his policy." Comparative freedom of competition and the mechanically operating force of interest had effected so much for material welfare that it was not wonderful if the teleological forces, formerly overestimated in their influence upon the

social well-being, should be in turn undervalued and that by philosopher and moralist even as well as statesman. To Adam Smith indeed, as F. A. Lange ("Hist. Materialism") has observed, "the market of interests was not the whole of life but only an important side of it"; but Lange asserts, not without some reason, that Smith's successors "forgot the other side and confounded the rules of the market with the rules of life; nay, even with the elementary laws of human nature." At any rate, when new problems arose in connection with the immense massing of labor by manufactures and the new and hard conditions of life in the industrial centres, political economists argued that these difficulties were to be settled only by the same laws which decided the price of corn and bacon.

Organized industrialism showed its dark side early in the nineteenth century; humanity, "always an end, never a means" in a moral view, seemed to have become a mere "means" in the process of manufacture; the poor but safe living on the soil had been exchanged by thousands for the precarious and sordid existence of operatives hived in strange cities; population increased more rapidly as machinery utilized the labors of children; cries of distress went up at each vicissitude of trade as work was wanting or the slender wage was further narrowed. With an enormous increase of wealth the condition of labor seemed to grow relatively more depressed under the free play of competition. The political economy of the period, however, confident in its logic, maintained the wholesomeness of unmitigated competition. And however logically necessary its conclusions might seem, economic science certainly wore a less benign aspect than in her conflict with kings for the industrial enfranchisement of the toiling millions, when now, for their consolation in suffering, she could evolve from her philosophic quiet only the inexorable maxim that "these things regulate themselves." The uselessness and danger of public charity may be conclusively evidenced; the "iron law of wages" demonstrated; Political Economy no less naturally wears the appellation of the "dismal science;" and if she bear indeed the gospel of civilization, it can hardly be called a glad tidings for the poor. Rigid logicians set themselves to show that everything was very good under a reign of

free competition, or at least as good as the arrangements of nature would allow; though by some it was later recognized that the laborer in England was at an unnatural disadvantage, owing to political inequities dating back to the feudal period which denied him his natural free recourse to the soil. The radical ideas which spread in the wake of the French revolution had awakened an alarm in England which increased the natural disposition of her thinkers to justify at all points the existing order of things. A conservative instinct of this sort appears to have impelled Mr. Malthus about the beginning of the century to the development of his theory of the necessary relation of population to subsistence, a theory which throws the blame of economic distress on unbounteous nature and individual improvidence, and which in effect anticipates Darwinism in sociology. "Malthus, a most excellent and benevolent person, was so convinced that the limitation of what produces wealth should be effected in the interests of wealth, that he proposed to do away with all relief to destitution."

The course of the present century has presented new social problems; new phases in the operation of the competition system which have elicited and justified social action at certain points, in restraint of competition and which have not contributed to an increase of confidence in the well-worn economic maxim that "these things regulate themselves." "*Laissez faire*" as a fundamental principle is now more profoundly questioned and searchingly criticised; while on the other hand it is just now perhaps more strictly held to by men of affairs, and certainly more broadly and vigorously enunciated in speculation, than ever before.

The English Factory Acts and the beneficial results of their enforcement testified to the necessity of some limitation of freedom of contract in the fierce pursuit of gain. Again, the tendency to concentration of industrial power in the hands of monopolies resulting from combination, with attendant evils in the disturbance of free competition and the destruction of personal relations between employers and employed, has diffused inquietude and has disposed many to consider whether combination and organization are not a better way of procuring desired



results than the system now in vogue; has prompted movements toward co-operation in production or even for an extension of the industrial functions of government. Further, the socialistic cry that under the modern industrial system, the "rich grow richer while the poor grow poorer" has not ceased to be heard, and while in its literal sense this complaint is not supported by comparative statistics yet competent students of economic history find a relative truth underlying it. Thus Mr. Rogers ("Six Centuries of Work and Wages"), while he does not doubt that the ordinary hardships of human life in England were greater and more general six centuries ago than now, finds that the extremes of wealth and poverty were less widely separated. The relative condition of the laboring class is what is in question, in view of the steady development in the volume of human wants and the appliances for satisfying them; and the continuous rise in the standard of decent living.

The newer school in Political Economy, which received from Germany its original and strongest impulse, emphasizes the defects and weaknesses of the competition system and of a civilization dominated by the commercial spirit; combats the optimistic views of the old economy and regards the production but especially the distribution of wealth as offering many problems which may be solved by wisely concerted social action; which at any rate cannot be satisfactorily solved simply by a "let alone policy."

Yet the *laissez faire* theory has not ceased to formulate the practical convictions of the mercantile classes in general, while in speculation it reasserts itself with a new and broader sweep in the social philosophy of Mr. Spencer, in which evolutionary sociology of a mechanical type dictates the social aim and the individualism of the old political economy supplies the means of effecting the social welfare. In the increasing disposition to invoke the aid of the state for the amelioration of human conditions, Mr. Spencer sees but perverse and dangerous interferences with the natural and wholesome order of things, and interruption of the course of history in its normal advance toward an industrial *regime* of free contract. Views inculcated in Mr. Spencer's previous writings are elaborated in his latest

volume, "The Man *versus* the State," in which he sounds as it were an alarm to civilization concerning the perils threatening it from over-legislation, increasing the evils it aims to cure and foreboding a coming slavery. This impending slavery is the bondage of the individual who, as well by a democracy as ever by an autocracy or oligarchy, may be enslaved if the free direction of his activity is to be taken from him and he is to be despoiled by vote of the produce of his labor. Reward and benefit should be, as by nature, bestowed in proportion to ability to fulfil all the requirements of life. If this order be artificially altered, the multiplication of the inferior is furthered and that of the superior hindered and progressive degradation of the species results. And, in Mr. Spencer's words, "the poverty of the incapable, the distress that comes upon the imprudent, the starvation of the idle and the shouldering aside of the weak by the strong which leave so many in shallows and in miseries, are the decrees of a large, far-seeing benevolence." Mr. Spencer indeed, in reply to criticisms, declares himself not opposed to individual or social effort, not extending to state interference, to assist weakness in the struggle for existence; but the principle on which all state interference is opposed would seem to be of broad application. An able American economist and uncompromising advocate of *laissez faire* teaches, in the vein of Mr. Spencer, that "nature gives full operation to all superiorities," and that "the state in establishing justice does not aim to correct Nature in the least but to leave her laws undisturbed." And in a widely-read essay entitled "What Social Classes owe to Each Other," the same American writer enforces in vigorous fashion the supreme importance to society of the economic commandment, "Mind thy own business," and discourses of "the danger of minding other people's business" in a way which seems not calculated to encourage either social or individual effort for the general good much outside the lines of interested action.

Instead of a mere working rule in economics, subordinated when need requires to the higher ends and laws of social action, we have in the recent version of *laissez faire* a principle of wide application and broadly defended as tending to secure the "survival of the fittest"; an end which competes and conflicts with

the ethical end as commonly understood. Here we have indeed an invasion of ethics by economic ideas and methods and a transformation of the rules of the market into rules of life ; a philosophic justification in fact of the current tendency in practice to carry the commercial spirit into all the affairs of life.

Let us grant that the "hard doctrine" of the new prophets has a great deal of "hard sense" in it and that such teaching may be needed to keep the human race up to its work and to counteract the influence of *doctrinaires* disposed to magnify unduly the efficiency of the teleologic as compared with the mechanically-acting forces of social progress. It is by encouraging the individual initiative and developing individual responsibility that modern society has been able to produce modern civilization, and business experience and economic history alike condemn any experiments at social reform which may tend to relax the tension of this great nerve of social progress. It is true that the great chance of usefulness offered to each one is the care of his own business and that by no one can this duty be so ably attended to as by the one closest to the facts and most immediately concerned in the result. It is even true that the much-deplored inequalities in the distribution of wealth and the tragic vicissitudes of fortune have, within certain limits, a compensatory action in the powerful stimulus of alternate hope and fear which they exert upon human energy and invention, so that, be aspirations not too hopeless or fears fairly unnerving, they stir society healthfully, "as the sea is kept alive by the trouble of its tides." And there are multitudes in our time, as in every time, with reference to whose needs these truths can hardly be overstated. There are hosts of semi-awake, shiftless, ineffective people, complaining of their luck and nursing grievance against the arrangements of society ; there are idle sentimentalists delighting to dispense superfluous sympathy or weakening help ; there are sciolistic world-menders and wrong-headed dabsters at philanthropy—all of whom need nothing so much as a cleansing and tonic dose of the bitterest kind of British political economy with a dash in it, may be, of the new doctrine of the rightwiseness of natural selection and the survival of the fittest.

But, all this fully recognized, it remains true that the good service which economic individualism has done and has yet to do for humanity furnishes no real ground for the assumption that to "let alone" is the golden rule within the economic order, the solvent for all economic difficulties. Still less does it justify the position of those recent theorists who find in the free working of intelligent self-interest quite the "standing or falling principle" of the life of modern society. This latter position indeed involves assumptions, as to fact, which are at variance with economic history, and, as to the social ends, which are at variance with the moral instincts of mankind.

Dealing first with the later theories ; it is a gratuitous assumption that the operation of economic individualism in economic history illustrates the selective play of natural forces toward the ends of an evolutionary sociology.

The "survival of the fittest" is not by any means the result of a struggle for existence which is wrought out under the highly complex conditions of an organized political society embodying those restraints of law and morality which are found requisite to encourage and maintain economic effort. "The animal kingdom and the social organism are such essentially different domains that the same law applied to each would produce wholly opposite effects." The magic of property which "turns sand into gold," which stimulates to such high strains of effort and self-denial, is created by law and thus ultimately by the moral instinct which regards Humanity as an end in itself ; and property in its turn subserves an anti-natural, a moral purpose, as it cherishes the existence and protects the comfort and dignity of the feeble and sets up in certain directions barriers to the mere brute advance of the strong. Dr. Mitchell in his "Past in the Present" has abundantly illustrated the thesis that "Civilization is nothing more than a complicated outcome of a war waged with Nature, by man in society, to prevent her from putting into operation in every case her law of Natural Selection." This is effected in the first place, by means of institutions grounded in reason and conscience in the shelter of which industry is encouraged to extend and diversify itself and, resultantly, by the development of co-operation and the division of

labor which provides even for the most insignificant or the defectively constituted, a place of usefulness in which they may both draw strength from and give strength to the social organism. In short the modern economic order is in various aspects in conflict with the biological law of Natural Selection, while as a whole it is made possible by a political and legal order the existence and force of which cannot be accounted for by the mere mechanical collision of the social atoms, but which draw their life from the insight of the social reason and the power of the moral will.

Not, therefore, by the free working of individualism toward the "survival of the fittest" as a social end could the existing social economy be produced or maintained. But, further than this, experience has shown that even within the bounds set by the prevailing legal order, *laissez faire* is not a principle by any means of unqualified application, either in view of the economic or other social ends.

First, as regards the adequacy of a such a policy to the economic end. The economic good, viz., the increase of the social wealth, has in fact two phases which might be described as the immediate and the ultimate increase. These may be regarded as two different and distinct ends when we consider who are the individuals benefited by them, and consequently the laws under which they are attained. The increase, in any form, of the social wealth largely means direct, immediate benefit to those engaged in producing it, and so far the intelligent self-interest of individuals is a sufficient means and the best means of economic good. But there are material benefits of the utmost importance to the permanent welfare of society, which, either because they inure to the future rather than the present generation or because they diffuse themselves through the whole without reference to the special efficiency of the individuals producing them, individual interest cannot safely be trusted, perhaps not reasonably be expected, to supply. As regards, for instance, the preservation and adequate development of the material resources of a country, the provision and maintenance of a sound standard of values and medium of exchange, the fitting of the young for productive vocations—the issues are of so vast and far-reaching a character

as not to touch individual interest in any effective way. This phase of the economic good can be provided for only by the insight of the social reason and the effort of the social will.

A striking example has recently been furnished in the danger to which the permanent interests of New York State in her great Adirondack wilderness have been exposed from the operations of money-making interests, those, to-wit, of the lumbermen and mining companies. Only let these interests alone and within a generation a thousand mountain streams would run dry, a thousand hill-sides be left bleak and bare, even soilless; devastating spring torrents must take the place of fertilizing summer showers; even climates alter and the channel be choked of a great artery of navigation—to say nothing of an irreparable loss to all lovers of Nature's original wildness and beauty. But whose direct interest is it to interfere? Individual interest does not look after the future generation but rather mutters in answer to all suggestions that way tending, "*Après nous le déluge,*" or as the Greek poet had it, "When I am gone let earth be mingled with fire." Here, evidently, the State, as the organ of the impersonal reason and conscience of the society concerned, is called upon to step in and say to private interest, "Hands off! I am the trustee of the Future. I think and act for the economic good not of the individual but of the whole, not of the generation alone but of the humanity that is to come out of it and after it." And the example is not by any means an isolated one. There is therefore an important phase of the economic good which cannot at all be obtained by the competition of interests. And even as regards what we have styled the "immediate" form of the economic end it is now held by many that combination in the form of co-operative undertakings in production and exchange is destined in the future to do much of the work which has hitherto been best effected by pure competition, with better results in the increase as well as in the distribution of wealth.

But second, there are other and higher ends which are affected by economic action, and recent experience has demonstrated the necessity of interference at times with the natural course of economic affairs in the interest of these higher ends. It is a peculiarity of the mechanism by which modern wealth is pro-

duced that living men constitute a great part of its system of cogs and levers. If this machine then be driven at the full pace of a passion which seeks the greatest returns for the least investment, there are certain to result forms of human misery and degradation which are inconsistent with the political ends of the state, while they are repugnant to that moral sentiment of mankind which Kant voiced in declaring that "Humanity is always to be treated as an end, never as a means merely." Thus for example have resulted those abuses of the English factory system as regards the age and sex of the employed, the length of hours and other considerations dangerous to life, health or morals, which enforced, against the vigorous protests of the Manchester economists, the passage of the English Factory Acts. The state found itself in these cases forced to interfere with the right of free contract, as the description of an Act of Parliament for regulating work-shops expresses it, "to prevent the utter degradation of the laborer and to protect the honest employer against unprincipled competitors who owed their success to brutal sacrifice of human life." And this and similar legislation such as that safe-guarding the lives of miners against the cupidity of employers, has been abundantly justified by the results attained. In this country, the easier conditions of life and comparatively abundant employment have made competition less fierce and cruel in its dealing with human well-being, yet the condition of the poor in the crowded tenement-houses of great cities, the degradations especially connected with the union of home and workshop in the manufacture of cigars in tenement-houses, the employment of young children in factories, are but a sample of the illustrations which might be offered of the tendency, which the fever-heat of competition generates even in our favored country, to regard and treat humanity as the mere fuel which drives the money-making machinery.

Summing up what has been said as to the rise of economic individualism and the development of *laissez faire* theories, it appears that economists since Adam Smith have been encouraged by the triumphs of the principle of unchecked competition of interests to assert it not merely as a defensive maxim against misgovernment but as a rule of general application to all eco-

conomic social problems—a rule logically derived from the dogma that “The sum of all interests is best cared for when each individual cares for self.” And the social derangements incident to energetic competition, with the departures from the accepted method, which have been found necessary for their correction, have worked in its defence a new theory of the social end, viz.: that of the survival of the fittest with a more unqualified application of the principle. In the view of the new philosophy of society, social good is attained by substituting the evolutionary end and the mechanical action of impulses closely connected with sense for the properly ethical end and impulse, and this while ignoring the fact that the economic history from which the theory draws its arguments is a history which only the ethical development of Society has made possible. But the plausibility of the newer philosophy is perhaps less due to its logic than to the fact that its conclusions are in harmony with methods and maxims naturally in vogue in a period when the commercial spirit everywhere predominates and more or less colors all conceptions.

No mechanically operating agencies can do the work which has been and is being done for society by the ethical idea and impulse, such as we have defined them. Yet within the economic sphere, we find blindly-acting forces which within certain limits prove to have a self-regulating power, and effect for economic purposes what could not be effected by methods purely ethical. And moralists and social reformers are only too prone to ignore what the “mechanics of interest” has done and is capable of doing for civilization; too prone to exaggerate the efficiency of the teleologic as compared with the automatically acting agencies in working out the material side of the social welfare. Hence what was described in the beginning of this paper as a tendency to the invasion of economics by ethics. The socialist proposes to substitute for the automatic methods of the market, an equitable adjustment of rewards by Society based upon the natural or absolute worth of services and talents. The moralist, of a very different school, when oppressed by such problems as the combination of high rents and low wages offer in great centres, is no less too apt to forget the truth expressed



by Baudrillart in his observation that "*Le sentiment prenant les noms de charité et de fraternité ne saurait servir de base à l'économie politique.*" Good Bishop Latimer, denouncing in his Lent sermons with bitter invective the "rent-enhaucing" landlords of his time, battled, as he imagined, with the sin of covetousness, but in reality with the laws of industrial progress. Like error may easily in our day be committed by the pulpit moralist who may dash into the fray of current economic controversy and with no guidance but such as generous instincts and human sympathy may afford him, attempt to settle the vexed questions by his own immediate intuition of what ought to be. "Sympathy may lead to wrong as well as egoism." The questions at issue are complex and hard ones and certainly not to be settled by "apostolic blows and knocks." Yet public teachers of morals are bound to discuss these themes and therefore are bound to investigate economic phenomena and study the range of economic laws.

The eagerness of the social reformer, the abstract dogmatic method of the professional moralist is apt to give too little place to the truth which underlies the overworked commercial maxim that "Business is business." The truth is that there has come to be somehow an economic world which has its distinct order of phenomena, its peculiar methods and, in a certain sense, its necessary laws. Within modern society there has grown up a vast and complex industrial organism which is automatic and instinctive in its operation. As in the physical organism of the civilized adult man, habit and heredity have created a capacity of reflex action which multiplies power by minimizing the occasions for deliberate and calculated effort, so, in the industrial organism, by the growing habitude of unconscious co-operation in its parts, there has been developed a capacity as it were of social reflex action, which effects far more for the supply of the common wants and, up to a certain point at least, effects it better, than could ever be done by a deliberate social concert for the same purposes. The individual instinct of gain, eager and strong as the hunger of animals, comes converging from a thousand points to the common end of producing and dividing the economic goods. Speculation working at myriad points uncon-

scious of each other has networked the world with highways, organized the complicated apparatus of business, extended and consolidated credit, made fraud more uncommon. Market competition has regulated prices with the rapidity and accuracy of a calculating machine, by a standard as just as any general rule which could be devised and operated, for, as Mr. Sidgwick well says, "The one price which competition tends to fix as the market price of any kind of services has been taken to represent the universal or social and therefore morally valid estimate of the 'real worth' of such services."

There is a wisdom in the general current of commercial instincts which cannot be surpassed or superseded by any thought-taking of society. Prices cannot be fixed by the wisest and best men's moral intuition as to "what things are really worth"; it is vain to calculate on abstract principles the due reward of different kinds of labor. Economic history shows that "these things regulate themselves."

Yet all this may be fully recognized without admitting the encroachment before noted of *laissez faire* upon wise state policy and sound morals; without conceding to the practical heresy so apt to obtain in commercial circles that "There is a special department of life for pursuing one's interests and yet another for the practice of morals"; without at all segregating moralist, reformer and statesman from influence upon economic affairs.

For, first, the economic end is ever subordinate to higher social ends, notably the ethical end, and wherever the pursuit of the former prevents the attainment of the latter and superior ends, the social conscience and will may and does interfere, as in the case of the "Factory Acts." Second, the rules of the market, while accepted in general as working rules for economic practice, may be and constantly are qualified in individual applications by moral sentiment and human sympathy. Third, the political and moral good involved in the economic well-being of the weaker social classes may be, though indirectly and gradually, most powerfully promoted by moral and political effort in the line of the economic laws; by action for the common good proceeding upon and supported by an increased and more diffused acquaintance with economic phenomena and the operations of the forces manifested in them.

The third of these points should briefly be discussed, with reference to the opportunity and duties in this direction of our public moral teachers, whether their especial function be ecclesiastical or pedagogical.

The public moralist familiar with the moral evils which attend the enforced idleness of the unemployed, and the condition of those who find it hard to make a "decent living," is not likely to ignore the intimate connection which subsists between economic and moral good. But he cannot adequately deal with the evils referred to by purely moral methods. The means of economics are here needed to effect the ends of ethics.

Economic aims in the education of the young are of vital importance as tending to increase the general efficiency both in the production and the management of economic goods. To train men capable of productive efficiency, who will be fitted to fill some place in that vast industrial mechanism which, crowded as it is, has always room for the competent, is almost to raise recruits for virtue. The Rabbinic condemnation of the parent who did not bring his son up to some useful trade, had in it a hint for our moral teachers. Public education, while the materialistic side should not predominate in it, should certainly be shaped with reference to making the child able to earn a good living. The admirable trade schools now established in some of the larger cities are not everywhere practicable, nor do such schools meet the wants most widely felt. What is most needed is that type of education, fortunately a growing one, which seeks to lead children through books to things, which would educate in affairs as well as in phrases and abstractions. The early and close training in the use of the senses, some rudimentary acquaintance with the use of tools if possible, as bringing ideas into action, but above and through all, the constant aim to develop a really independent, agile and adaptable instead of a merely imitative and formal intelligence—such is the type of education which we would describe as economic. And as the management as well as the production of economic goods is in question, the topic connects itself with another now often debated, viz.: the proper manner of teaching morals in public schools. There is a difficulty as to systematic and effective

teaching of practical ethics in schools, which seems owing in part to the generality and triteness of the truths obtained by abstracting the moral relations from the diversified and easily apprehensible ones with which they are involved in the complexity of actual conduct. Children seem to need something like a systematic instruction in the art of living in society, which shall blend in one elementary treatment the traditional Aristotelic divisions of Ethics, Economics and Politics. The Greek sophists, in fact, according to Zeller, were accustomed to include under duty all that according to Greek ideas constituted the capable man—on the one side all practical and useful arts including bodily activity, but especially all that is of value in domestic or civil life ; on the other side ability and uprightness of character.

The Greek blending of the moral and material elements in one conception of the Good, while defective and misleading for the purposes of moral science, might furnish a point of view for practical instruction of the young at once in economics and ethics which would not be without its advantages. The idea of self-control and self-direction to an end, first and most easily learned in connection with the material side of life, could be the more readily carried forward from the natural to the spiritual realm.

Not less important however than the training of a new generation in the capacity of self-help and self-care, is the education of the mass of the active generation in comprehension of the nature and workings of that industrial economy or organism in which it is itself embraced. This is requisite for intelligent political and other social action ever liable to be taken in ignorance or misconception of economic facts and laws. To diffuse information and intelligence in regard to such matters as the nature and effects of good and bad Money, the incidence of Taxation in its different forms, the nature and services of Capital, the comparative condition of Labor in our own and other periods and countries, is to promote intelligent action for the social good and therefore is fit and eminently desirable work for the teacher of public morals. We hold it then a part of the Christian minister's privilege and duty, with due reference to proportion and

limit, to use the various opportunities of his office in diffusing correct and needed information and aiding in the formation of sound judgments on questions deeply affecting the material well-being of the people among whom he lives, but especially that of the more burdened and less fortunate classes. But, as was before intimated, it is only as a student of economic history and economic science that he can engage in the discussion of these questions to advantage. Warrant and text for such teaching cannot be wanting so long as in Solomon's pages "wisdom dwells with prudence." If indeed the Sermon on the Mount seems at times almost anti-economic, it is to be remembered that the Old Testament is all the time in the background and taken for granted, and that the immediate matter in hand was a polemic against Rabbirism with its selfish and materialistic interpretations of a sublime spiritual law.

The moralist will also wisely lend his earnest aid to whatever efforts or institutions propose by fair means to increase the average rewards of labor or to economize its expenditures.

In the foregoing discussion, largely concerned with practice, various thoughts have been suggested in regard to the scope and mutual relations of economic and ethical science which may now be brought together and stated in order, as, in the main, conclusions in view of what has been advanced.

(a) Political Economy, as a science distinct from Ethics or Politics, has grown up with the development of the system of modern industrialism and with recognition of automatic properties and a certain instinctive wisdom possessed by this complicated mechanism. Political economy therefore as a philosophy, finds its special business in analyzing and seeking to formulate these "natural" movements of the industrial organism: the *calculable* operations of human nature in the pursuit of wealth.

(b) The "laws" of political economy are, for the most part, generalizations based upon the reflexes which human societies tend to establish in developing a capacity of complex co-operation in industry and commerce. They are not therefore "laws of nature" but laws of the nature of a certain highly artificial condition of human affairs, in civilized countries, which has grown

to what it is and has growth and change before it. The safe method in political economy cannot be that of hypothetical reasoning from universal abstract premises; the generalizations of political economy are of service rather as working hypotheses to be tested in the study of economic history and the interpretation of statistics. The fashion, less in favor now than formerly, of arguing in economics from *a priori* grounds to unqualified and often startling conclusions, seems to have promoted controversy more than knowledge.

(c) As up to a certain point, the economic good is instrumentally essential to the ethical good, there is an extensive sphere within which the ends of ethics are to be sought by the means of economics; within which, therefore, economic investigation must furnish to morals a utilitarian interpretation of what is right. Such questions as, Is speculation an evil; What is a just standard of values; belong to a realm which impersonal forces dominate and within which the "ought to be" is identical with the "must be." It is in the investigation of such questions that economic science supplements the work of moral. But neither in the market nor anywhere else does ethics allow a place in which the "economic man" is to supplant man in the exercise of his integral humanity.

(d) There are forms of even the economic social good of such generality and remoteness as to be beyond the reach of the automatically acting forces of self-interest, and, as before noticed, these can be attained only upon grounds and by means which fall within the sphere of ethics.

(e) In the long run and in the main, the virtues are economically productive, yet true virtues, while finding a large utilitarian justification in economics, are not a proper part of its subject-matter. For, being, as virtues, essentially ends in themselves, they cannot be successfully cultivated as the means to a lower end. The demonstrated value of integrity to credit may confirm integrity but cannot produce it. "Seek first the kingdom of God" and the rest follows, but the kingdom cannot be attained if sought first for its economic advantages. What might be described as the "economics of ethics" may be studied to the greatest advantage, but the utilitarian advantages of the

virtues are not such as to make them the product or means of an economy of interest.

On the other hand, ethical science stands as the perpetual critic and moderator of the economic world, in respect of its conceptions of utility or advantage, as well as of the means used to realize them. To economics, utility is the desired, to ethics, it is what ought to be desired. The dictates of a sound ethical philosophy would to-day materially reduce the tension of the wealth-producing energies, by directing attention from visible to spiritual goods, by rebuking excessive *pleonexia*, ostentation and luxurious sensuality. For example, "The want to surpass others is capable of being increased *ad infinitum* without anything gained for the well-being of anyone concerned that is not lost to the others." Again, more is wasted in absolutely hurtful indulgences, such as spirituous beverages, than would be needed to provide for the working millions a fair average of comfort. Thus the treatment of economic consumption from an ethical point of view appears an important means for the correction of serious derangements in the social organism.

(f) There are economic social questions which will hardly be resolved without reference to the belief or bias of the economist with regard to the theory of morals: thus economic theory cannot escape the influence of ethical speculation. As M. Baudrillart has well said, "*La morale précède et domine l'économie politique comme elle précède et domine la politique et le droit.*" But to dominate our economic system is not in a philosophy founded upon an atomistic conception of society; and a philosophy which evolves altruism from egoism by social experience of pleasures and pains can naturally but advise the reformer to stand and wait upon nature and let the Titanic forces of industrial civilization work out what salvation is in them. Thus economic evils may even be transformed into moral necessities, a view not unsupported by the bias of a commercial age, since, as Goethe says, "We delight to clothe our errors in the garb of universal laws." But, on the other hand, the extreme demands of those who arraign the existing economic order, in view of inadequate results in human happiness, also betray the influence of materialistic conceptions of the individual's wants

and requirements—the ascription to economic good of the “ categorical imperative ” which belongs to the moral; and the social aim of such is in the nature of things as impracticable as their philosophy of human nature is inadequate. A moral philosophy which recognizes the Christian conception of the inherent worth and perfectibility of human nature will, as Channing did, desire for the workers not so much an outward and showy as an inward and real change. Yet from the same standpoint it cannot but condemn any tendency in the economic system to treat man as a means merely—an instrument to wealth in the same sense that matter is. And it must also we think cherish such economic ideals as that of Channing, that “ In proportion as Christianity shall spread the spirit of brotherhood, there will and must be a more equal distribution of toils and means of improvement.” In brief, a profound estimate of man’s moral nature is prerequisite to an art of living which shall meet the requirements of a being at once mortal and immortal, who is at once one and many in that his individual development is inseparable from the development of the social whole.



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